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Wüest, Bruno

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Varieties of Capitalist Debates:

How institutions shape public conflicts on economic liberalization in the UK, France, and Germany

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Abstract

Widely renowned typologies in Comparative Political Economy like the 'Varieties of Capitalism' or the 'Three Worlds of Welfare Capitalism' are criticized to neglect political conflict, because they selectively focus on institutional characteristics, most notably labor relations and welfare regimes. In doing so, they fall short to grasp the whole meaning of their categories. This analysis moves beyond institutionally defined political-economic arrangements and studies the role of public debates for different capitalist models. Using novel relational data from an extensive content analysis of newspapers from 2004 to 2006, political conflicts on economic liberalization in Britain, France and Germany are explored. More specifically, the structure of conflicts and the influence of various political actors for the debate on economic liberalization are precisely assessed. The results reveal persistent national peculiarities with respect to political contention which can plausibly be ascribed to the influence of long-term historical legacies and institutional complementarities as outlined by capitalist typologies.

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1 Introduction

The literature on the various typologies of capitalist regimes is abundant. In the last years, for example, research on the 'Varieties of Capitalism' exponentially has increased, but also Neocorporatist approaches and the 'Three Worlds of Welfare Capitalism' experience are commonly applied to explain national political-economic peculiarities. However, common definitions of these capitalist regime types heavily rely on institutional settings as defining characteristics. While a lot of research has been done on institutional settings per se as well as the interaction of these institutional settings with socio-economic outcomes like productivity or social protection, work on the relationship between the different institutional arrangements and political conflict remains largely underdeveloped.

Research on how differences in capitalist regimes translate into debates is not only rare, it is often also restricted to certain arenas of political competition, most of all labor relations and party politics. Furthermore, political conflict mostly is not consistently conceptualized as integral parts of a specific capitalist type but comes as a theoretical byproduct of institutional arrangements. However, as the results will show, differences in the conflict constellation between the countries under study are striking and can plausibly be explained by the entrenched historical legacies as assumed in the different typologies. This analysis thus provides a comprehensive picture of national differences regarding public conflicts. More specifically, the content analysis data derived from mass print media allow to explore the structure of public contestation including all actors that have a voice with respect to economic policy making.

To avoid any misunderstanding, it is not the aim of this contribution to criticize the concepts of capitalist regime typologies, since their institutional bias can well be justified for most research questions in Comparative Political Economy. In contrast, it is the aim to show that they have more explanatory power for political-economic country differences. In comparing the three biggest Western European economies, the UK, France, and Germany, this analysis therefore shows how the meaning of these renowned typologies can be enriched by varieties of public debates.

After the presentation of the expectations on the debate analysis and the discussion of the conceptual and methodical issues, the analysis will proceed in two major steps. The first, more comprehensive part is concerned with the overall structure of the debates in the three countries. The second part covers the distinct features in the systems of interest intermediation, i.e. the relationships between public authorities, trade unions, and employers.

2 Economic pressures, institutions, and political conflict

2.1 The long-term transformation of economic policy making

Political and economic changes of the last decades brought about important challenges to Western European politics and profoundly shaped the preferences and conflict constellations among political actors (Przeworsky and Yebra, 2005). A greatly simplified way of describing these long-term changes is by distinguishing globalization and post-industrialization processes. On the one hand, advancing economic internationalization and intensifying political integration can be subsumed as processes of globalization (Kriesi et al., 2008; Held and McGrew, 2000; Dreher, Gaston and Martens, 2008).¹ Capital has not become completely footloose, but economic activity has become significantly more dynamic on a global scale (Perraton et al., 1997). And after the abandonment of the international Keynesian regime of the ‘golden’ post-war era, advanced economies have integrated into a complex multi-level governance system (Scharpf and Schmidt, 2000: 1f.; Elkins, Guzman, and Simmons, 2006).

On the other hand, tertiarization, privatization, and welfare state transformation can be understood as processes of post-industrialization (Oesch, 2006; Häusermann, 2010). As regards tertiarization, technological change, altering consumption patterns, and saturated markets increasingly impaired the opportunities for traditional industries in Western Europe, while the service sectors grew (Iversen and Cusack, 2000: 313f.). At a similar pace, the general direction of the relationship between the state and the economic sphere has shifted from public production in lucrative businesses like telecommunications to regulation, and redistribution (Vogel, 1996; Rhodes, 2001; Gilardi, 2005). And finally, labor markets were transformed to incorporate more activating and market conforming employment policies (Anderson and Pontusson, 2007; Rueda, 2005).

There is a heightened debate among Political Economists on the causal relationships and relative weight of these different long-term trends (Kollmeyer, 2009; Iversen and Cusack, 2000; Krugman, Cooper and Srinivasan, 1995), but as Polanyi (1944) puts it, such national and international trends essentially are intertwined and are thus mutually reinforcing each other in exerting transformative pressure on national politics (see Bryan 2007).

¹Since cultural and societal aspects of globalization like increasing immigration from far away countries or increases in private correspondence potentially have little influence on debates regarding economic policy making, these aspects will be left aside in the following discussion.

2.2 The persistence of national peculiarities

Changes in the political-economic context induced similar transformative pressures on all advanced economies, however, national systems are not on the way to a fully-fledged convergence.² Although the importance of national differences for policy making relatively has declined since the 1970s, there still is a multitude of national peculiarities (Schmitter and Grote, 1997; Huber and Stephens, 2001). Accordingly, the co-existence of institutional complementarities which each are both economically efficient and long-living is a main focus of neo-institutional typologies of capitalist regimes (see Hay, 2004; Hall and Gingerich, 2009). Institutional complementarities between countries are persisting because they are reinterpreted and reinvented by contestation within the political elites (Hall, 1993). Politically relevant actors are crucial ‘transmitting’ points for the diffusion of reforms intended to help economies adapt to new challenges (Thatcher, 2006). As such, the peculiarities of political conflict between countries therefore merit a more thorough study. Moreover, as research on debates over European integration and abortion shows, especially public debates are structured by entrenched historical legacies (Medrano, 2003; Ferree et al., 2002).

2.3 Typologies of capitalist regimes and their institutional bias

Among the many conceptualizations of political-economic arrangements, a recent and influential attempt is the Varieties of Capitalism (VoC) approach (Hall and Soskice, 2001; Hancké, Rhodes and Thatcher, 2007). This approach identifies two diverging patterns of adaptation to economic changes. First, Liberal Market Economies (LME) can be characterized by non-cooperative relations between unions and employers, a market-driven financial system, and arm’s length relations among firms. Secondly, Coordinated Market Economies (CME), union-employer relationships are comparatively cooperative, industries traditionally have close ties to banks, and employers are organized in associations.

The parsimony of the VoC dichotomy, like almost all typologies of capitalist regimes, comes with at least one major drawback. It is necessary to define a residual category for countries that do not consistently fit into the expected pattern. In the VoC literature, these are the Mixed-Market Economies (MME). Unfortunately, very important countries like Japan or France belong to this category.³

²Such a convergence is presumed by the ‘hyperglobalist’ argument, which claims that most countries are forced to adopt a single neo-liberal model until political differences do not pose locational disadvantages any more (Ohmae, 1995).

³Very similarly, many scholars struggle with fitting Southern European countries into the common welfare state typology (Leibfried and Bonoli, 2001).

Schmidt (2009) convincingly argues that the misconception of the MME is due to the neglect of the state as a central mediating and intervening actor in the economic sphere. In dependence on Shonfield (1965), Schmidt thus extends the usual two Varieties of Capitalism to three – Liberal, Coordinated and State-influenced (SME) Market Economies.⁴ While in LME like Britain the influence of the state is limited to rule setting and conflict settlement, it actively tries to facilitate economic activities in CME and SME, although in different ways. In CME the state acts as a coequal with employers and unions to negotiate employment protection and wages (Schmidt, 2009: 521). In an SME like France, by contrast, the state often appears as an ‘entrepreneurial state’ which actively decides over business activities (Thibergien, 2007). By separating the three new VoC by the relationship between the state and the economic sphere, Schmidt (2009) is able to solidly classify the countries of the vague MME category.

In its extended version, the VoC typology is partly able to incorporate two other renowned classifications in comparative political economy. First, it matches two of the three commonly distinguished welfare regime types (the ‘Three Worlds of Welfare Capitalism’, see Esping-Andersen, 1990). CME and SME actually are complemented by conservative or social-democratic welfare states, while LME are accompanied by liberal welfare regimes. In the UK, large social assistance of the last resort, extensive activation measures, and conditioned access schemes to benefits traditionally are important (Scruggs and Allan, 2008). In contrast, as long as they are not scandinavian countries (the social-democratic welfare regime type), the CMEs welfare systems historically rely more strongly on insurance-based unemployment benefits and pensions. A further very important conceptualization of institutional patterns is the neocorporatist distinction of different types of labor relations (Schmitter and Lehbruch, 1979). There is congruence between corporatist regimes and CME, whereas SME and LME are characterized by pluralist interest intermediation, leaving especially unions with a comparatively fragmented position in labor relations (Sapir, 2006). For the sake of simplicity, the different types of capitalist regimes in the following are collapsed and labeled by their originally introduced abbreviation (LME, SME, and CME). However, all just discussed characteristics are meant with every notion.

There certainly is a large number of other influential classifications of advanced economies like the distinction between Rhine capitalism and Anglo-Saxon economies by Albert (1993). It is, however, neither the aim of this contribution to present a

⁴In Shonfield’s (1965) classical terminology on the ‘Modern Capitalisms’, LME are equivalent to the arm’s length capitalism, CME stand for an organized capitalism, and SME reflect the interventionist capitalism.

comprehensive overview of all typologies nor to review the vast literature which is concerned with one or more typology.⁵ The aim is to address a common shortcoming: the typologies inherently have a propensity to determinism in their focus on institutions and, in turn, neglect the corresponding power structure in the classified countries. More specifically, research on the numerous institutional regimes and their impacts on social structure is vast, but research on the relationship between institutional settings and political conflict is underdeveloped. The definition of categories almost exclusively focus on informal or formal institutions, e.g. types of implemented policies in laws or patterns of conduct.

To be precise, some typologies take political contention somehow into account, for example the distinction between conflictive and cooperative interactions between employers and unions in neocorporatist definitions of labor relations. However, such considerations only very selectively include political conflict. Furthermore, these conflicts are rather understood as behavior patterns and therefore theoretically endogenized in informal institutions. There is some research on how public opinion is structured by capitalist regimes (e.g. Estévez-Abe, 2005; Svallfors, 1997), but with respect to political elites, if any research is done at all, almost exclusively parties are in the spotlight (e.g. Huber and Stephens, 2001). It is an open question if the systematic study of political conflicts adds substantively new insights to the literature on Comparative Political Economy, but the simple fact that conflicts are only insufficiently considered by typologies of capitalist regimes justifies this contribution.

Other criticism of capitalist regime type definitions addresses their bias in favor of specific arenas. Some authors call for a more systematic inclusion of foreign actors as well as supra- and international bodies because international levels of policy making have become more important (Crouch and Farrell, 2004). Others claim that corporations and interest groups from the service sectors have to be subjected to scrutiny (Blyth, 2003). Not only interest groups and state actors, but also supra- and international bodies as well as corporations are therefore considered as increasingly relevant actors (Hancké et al., 2007; Zürn and Walter, 2005). Consequentially, the analyses in the second part, which will be concerned with the crucial arena for economic policy making, will include this so far neglected actors.

⁵There are, of course, detailed overviews, e.g. Hancké, Rhodes and Thatcher, 2007; Arts and Gelissen, 2002.

3 Conceptualizing the debate analysis

To use the words of Ferree et al. (2002: 4), this study is about the content of the talk on economic policies rather than the policies themselves. In most simple terms, this talk can be defined as a ‘public debate’ which is the sum of all public communications related to a particular issue (Helbling, Hoeglenger and Wuest, 2010). This definition owes a lot to established definitions on public discourse (Ferree et al., 2002; Anderson, 1978).⁶ The reason to speak of a debate instead of discourse, however, is the term debate underlines the confrontational character of public communication (Helbling et al., 2010). Public communication may but does not have to be about informed deliberation on an issue, it probably contains disputes, misunderstandings and strategic behavior as well.

The content of this debate analysis is conceived as economic liberalization, i.e. all contestation on the freeing of economic markets from the control by the state (Weiss, 2003). As an priori defined concept to guide the analyses, economic liberalization includes a broad range of policies regarding privatization, competition and industrial policy, employment regulation, social partnership, and trade and financial market regulation. In Western European countries, different economic policies historically have different importance within the regulatory regimes (Schwartz, 2001: 31). Yet a comparative study that focuses on several policies at the same time better allows to explore the scope and intensity of political conflicts on economic policies across different national settings.

3.1 Dimensionality and actor classification

A debate is not an unstructured amalgam of communicative acts. A small number of underlying dimensions usually is sufficient to describe the conflict ‘space’ of a debate, since “while the detailed local substance of political competition varies in idiosyncratic ways from setting to setting, key features of its structure are fairly constant” (Laver and Sergenti, 2010: 17). The dimensions structuring this debate were empirically established in a preparatory analysis, which is reported in *Tables A.1 and A.2* in the appendix. In short, the results indicate a two dimensional debate with an international and domestic dimension. Similar divides between a rather traditional left-right dimension and the dimension separating profiteers and losers of internationalized markets was also found by other studies (see Zürn and Walter, 2005: 273f.; Kitschelt, 2007: 1183; Hall and Gingerich, 2009).

⁶While Ferree et al. (2002: 9) speak of a “public discourse about topics and actors related to either some particular policy domain”, Anderson (1978: 23) defines public communication as the “realm of discourse” in which “the deliberation of public policy” takes place.

The actor categorization is a crucial step of the debate conceptualization, since a simplification of the multitude of speakers making statements heavily preconditions the interpretation of empirical findings. Most notably, the actor categorization should be sensitive to the issue of the debate, since every policy domain entails its own range of potentially relevant actors (Helbling, Hoeglinger and Wuest, forthcoming). This implies for this analysis that economic actors should be paid special attention. *Table 1* lists the actor types how they will be used in the analyses. The classification starts with the very broad distinction between public authority actors, intermediary actors and actors which are – strictly speaking – external to the political system. This is not to say that the latter have no role in political opinion formation and decision making processes, but their appearance in the political processes is rather unconventional from a theoretical point of view, since they mainly operate in the economic (companies) or societal spheres (experts and public interest groups). The public authority actors include International Governmental Organizations like the WTO, European Union actors, foreign and domestic executive actors, administrative agencies, judiciary actors as well as legislative bodies. Intermediary actors, on the other hand, include all actors which aggregate societal problems and demands, and translate them into more or less coherent political claims.

Table 1: Actor classification

Public authority actors	Intern. Governmental Org.	General political IGOs (UN etc.); IGOs engaged in economic regulation (IMF, WTO etc.)
	European Union	General EU actors (Europ. Commission, Europ. Council of Ministers, Europ. Council); Economic EU actors (Competition Comm., Europ. Council of Ministers for economic affairs)
	Executive actors	National, regional, and local executives; foreign executives of EU members; OECD countries; transition/developing countr.
	Administratives	Administrative bodies for economic affairs (Economic regulation agencies (e.g. antitrust or social security), central banks); Other administrative bodies (infrastructure, security etc.)
	Judiciary actors	Courts and single judges
	Legislatives	Parliamentary chambers
Intermediary actors	Interest groups	Chambers of commerce; peak employer assoc.; assoc. for small and medium-sized companies; trade unions; professional assoc.
	Parties	Communists/left socialists; greens; social democrats; conservatives and Christian Democrats; radical/populist right; liberals
Actors external to the political system	Business	Multinational corporations; Small and medium-sized business
	Experts	Economic experts (Economists; econ. forecasters; think tanks); other experts (academic experts, journalists, artists)
	Public interest groups	Charity, ecology, and animal rights organizations, Global justice movement

3.2 Selection of countries and time period

The country sample has to cover as much variance in the introduced typologies as possible. On the one hand, each of the three selected countries (the UK, France, and Germany) corresponds to one VoC type: the UK, besides the USA, is the most cited example of an LME (Hall and Soskice, 2001); most authors point to Germany as a typical CME; and France is an exemplary case of an SME (Schmidt, 2009). On the other hand, the sample also covers two of the three worlds of welfare with Germany and France as two typical cases of a conservative welfare regime and the UK as the archetype of a liberal welfare regime. This means that the social-democratic welfare regime unfortunately is not included. This misrepresentation is due to lacking linguistic skills of the researchers involved into the data collection, which made it impossible to gather data from print media of scandinavian countries representing the social-democratic case most adequately.⁷

It is the main aim of this analysis to get a comprehensive picture regarding the national peculiarities in economic policy debates. This makes an investigation of the debate structure in the early 2000s especially interesting, since both mainstream actors pushing liberalization as well as rising challengers can simultaneously be studied. The growing opposition is most obviously present with the ‘global justice movement’, which is on the rise since the first protests at the WTO summit in Seattle 1999, the radical left, which had a slight revival in the electoral arena (e.g. ‘die Linke’ in Germany), and some populist right-wing parties, which increasingly started to adopt more protectionist policies, e.g. the Front National in France. The reason for this heightened opposition lies in the fact that, in contrast to the rapid liberalization steps in the 1990s, a stagnation in the liberalization processes can be observed in the first years of the 21st century. This is due to the fact that debates on further liberalization have turned to politically sensitive economic domains like agriculture (e.g. within the framework of the WTO Doha Development Round, actually stalled since 2001) and labor market regulations (e.g. in form of the fierce conflicts on the ‘Agenda 2010’ in Germany and the ‘Contrat Première Embauchée’ in France). Due to the pragmatic need to keep the work load of the content analysis manageable, the observation period does not cover all years of the 2000s, but only the three years 2004, 2005, and 2006.

⁷The content analysis data set was established by the author and his collaborators in the re-search project „National Political Change in a Globalizing World“ (Kriesi et al., 2008).

3.3 Varieties of debates?

This section deals with the expectations how institutions shape debates. The constraints and incentives shaping political conflict are not the same for all actors in every country, since national political-economic arrangements shape political conflict by affecting how much influence different interests have in the policy making processes (O'Reilly, 2005; Thelen and Steinmo 1992). More specifically, strategies and success for political actors are dependent on institutions (Risse, Cowles, and Caporaso 2001; Brinegar, Jolly, and Kitschelt, 2004: 63f.).

Table 2 presents the main expectations in a condensed way. Corresponding to the differentiation of the broader public debate from the systems of interest intermediation, the expectations on the debates are divided into two parts. On the one hand, expectations on the debate structure in general are developed. On the other hand, to assess varieties of capitalist debates in the decisive arenas, particular attention is paid to the relationships within the systems of economic interest intermediation as well as the role of the state in the economy (Hall and Soskice, 2001; Schmidt, 2009).

Table 2: Expectations on the debate analysis

<i>label</i>	<i>description</i>
<i>distinctiveness</i>	The debate is characterized by a <i>low</i> distinctiveness in the UK, <i>moderate</i> distinctiveness in Germany, and <i>high</i> distinctiveness in France.
<i>overall climate</i>	The debate should overall be more <i>liberal</i> in the UK, <i>protectionist</i> and <i>interventionist</i> in France, and <i>ambivalent</i> in Germany, i.e. overall centred but highly conflictive.
<i>actor positioning</i>	<i>Left dilemma</i> (labor unions) in the UK, <i>right dilemma</i> (corporations, and employer organizations) in France, <i>consistence</i> in Germany
<i>actor saliencies</i>	Going public of challengers for <i>mobilization</i> vs. going public of powerful actors to gain bargaining power (<i>resource argument</i>).

To begin with the more intuitive expectations, institutional settings shape the degree of *distinctiveness* of public conflicts, i.e. how national debates still run in the different countries. To a large extend, the territorial scope of economic policy making has extended in two ways beyond the national state (Held et al., 1999: 80f.; Hooghe and Marks, 2001). First, vertical mechanisms of transnationalization are responsible that supra- and international actors and multinational corporations increasingly enter the debate (Howarth, 2006: 85f.; Lehmkuhl, 2006: 149; Schneider and Grote, 2006: 12). Secondly, horizontal transnationalization as the increasing influence of national actors in a country's debate is a further substantive process (Koopmans

and Erbe, 2004; Trouille, 2007). These trends, however, are not expected to uniformly affect all countries in the same ways. In France, the most influential actors are expected to keep the debate as national as possible, since the strong national government (in collaboration with employer associations and business) should be reluctant to give away control over the economy. In Germany, national networks between social partners and administrations should be an important barrier to a transnationalization. Since there is, however, also a clear trend to 'europeanize' labor relations (Lehmkuhl, 2006), the distinctiveness of the debate should nevertheless be relatively moderate. In the UK, finally, labor relations and the influence of national public authorities are kept at a comparatively low level, which should lead to an open debate, i.e. a low *distinctiveness*.

Further, the *overall climate* of the debates should also be influenced by institutional arrangements. Intuitively, the debate should overall be more supportive of economic liberalization in the UK. The UK as the liberal case in this study has a long-standing tradition as promoter of free markets due to its legacy as former hegemon and main profiteer of the world trade system (Gifford, 2007). On the basis of the historical legacy in France, in contrast, the debate is expected to be relatively interventionist and protectionist, i.e. against economic liberalization on both dimensions. In France modernization strategies traditionally relied on major industrial projects with far-reaching state intervention (Maclean, 2002). In Germany, finally, public conflicts should be relatively balanced between opposing and supporting forces of economic liberalization. As will be discussed below in more detail, neither trade unions nor employers are stuck in a policy *dilemma*, making them able to consistently enter the debates. This should lead to a balanced yet conflictive debate.

Two sets of expectations with regards the systems of intermediation are established. The first is concerned with the positions and internal consistence of actors. Western European unions (except in Scandinavia) have to cope with declining membership numbers, since they still have difficulties to incorporate welfare state outsiders (Häusermann, 2010; Rueda, 2005; Regini, 2003). Therefore, they have a hard time to maintain social protection at a fairly high level and are facing continuous pressure in negotiations on employment security to make concessions in the light of high unemployment numbers and increasing welfare costs (Baccaro and Simoni, 2008). The crucial argument here, again, is that unions experience with different strengths of pressure depending on the overall climate in the debates. Thus, unions in the UK should be especially forced to make concessions for more flexible market regulations, which is expected to lead to major divides between single

unions. In the France and Germany, unions are expected to have lesser problems to keep a consistent stance in the debate. Here unions are expected to avoid a *left dilemma*.

In France, employer associations and business are expected to experience a *right dilemma*. The overall protectionist and interventionist climate confronts business actors with the incentive that they could opt for oligopolistic strategies keeping profits within the national economy because public authorities clearer signal their willingness to shelter them (Roach, 2005: 19). This, however, contradicts the common assumption that business principally pushes for liberalization. In Germany, finally, neither business actors and unions are expected to face an intractable situation. On the contrary, both sides may try to be as consistent as possible to strengthen their position for the next round of labor market negotiations.

The final set of expectations concerns the relationship between the institutional structure and the salencies of actors. It may be rather complex, since political-economic arrangements may enhance the visibility of already powerful actors in a debate (the *resource argument*), or they give rise to challengers because they are otherwise excluded from the decision making arenas (the *mobilization argument*) (Kriesi, 2003). More specifically, the resource argument leads to the expectation that institutionally privileged actors manage to prevail in the debates, since they dispose of large resources in public relations (Wolfsfeld, 1997: 24). By employing public-related strategies, powerful actors may attempt to impose their specific point of view also in the public debate (Kernell, 2006). A contrasting argument can be made regarding potential challengers in the debate. As long as they face no policy dilemma, challengers can be expected to extensively engage in public campaigns exactly because they are institutionally disadvantaged in the policy-making arenas. For such challengers, 'going public' is a survival strategy to influence decision-making by *mobilizing* public support for their arguments (Gamson and Meyer, 1996).

If the most powerful actors in terms of access to a debate are considered, public authority actors can be expected to loom high in every country, but especially high in France. Most political actors are only selectively given the access to the centers of power in France, which arguably makes it hard for anyone except the strong state to develop a substantive standing in public debates (Kriesi et al., 1995). The unions, however, are expected to be the radical challengers in France which could try to influence decision-making on economic policies from outside the negotiation process. Their very high readiness for strikes or demonstrations gives a cue for the *mobilization* argument regarding the unions in France. Since business actors face a dilemma between the sheltering and liberalization of markets, corporations

and employer associations are accordingly expected to be less prominent in France relative to the other countries.

In Germany the *resource argument* points to a strong presence of both public authority actors and social partners, since these actors traditionally are responsible for the most important economic policy decisions. In the light of this importance of interest intermediation arena, corporations cannot easily influence economic policy making as directly as in other countries. However, they of course can try to use their know-how in public relations to bypass labor market negotiations.

Research on the EU level has shown that relatively weak networks among interest groups give corporations a competitive edge over employer associations and unions regarding the access to decision-making arenas (Eising, 2007). According to the *resource* argument, corporations should therefore have a higher salience in the UK than in Germany and France. Further, in comparison to the role public authorities have in other countries, the position of the government is weaker. Its role in labor relations is mainly reduced to that of a merely 'neutral' regulator and so it could try to enhance its influence via a *mobilization* strategy. Unions, in contrast, drop out as potential challengers because they suffer from a programmatic dilemma.

4 Data and analysis strategies

4.1 Sampling and coding of newspaper articles

The basic methodological choice to explore political conflict by means of a content analysis of mass media reports requires some justification, since there are various strategies to analyze political conflicts. First, it is nearly impossible to find existing comparative data sets which encompass all relevant actors. Party manifesto data and most expert surveys, for example, are restricted to parties and ignore unions and business actors (see Keman 2007). A further advantage in relying on print media data is that it captures the competition among, and confrontation between, actors better than other data does (Helbling and Tresch, 2009).

For each country, one quality newspaper was included into the content analyses ('The Times' in the UK, 'Le Monde' in France, and 'Die Süddeutsche Zeitung' in Germany). This decision is pragmatically motivated, since the heavy work load of the content analyses compelled to restrict the data collection to only one newspaper per country. The external validity and internal reliability of the data, however, were assessed and are satisfying (see below). Quality newspapers were chosen since they are particularly suitable for the study of debates. They remain the leading medium

of political coverage, and in this role, they report the debates in the most detailed manner (Vliegthart and Walgrave, 2008).

The identifying of actors and their issue and actor-specific positions was done sentence by sentence, using the Core Sentence Analysis (CSA). This approach is specifically designed to analyze political conflict (Kleinnijenhuis et al., 2007; Kriesi et al., 2008; Axelrod, 1976). Each sentence of an article is reduced to its most basic structure (a ‘core sentence’) that contains only the subject (the actor), the object (an issue) and the direction of the relationship between the two.⁸ The relationship between subject and object is always quantified using a five point scale ranging from -1 to +1.⁹ In the following example, two of these actor-issue relationships can be established from a section of a article published in the Times on May 31, 2005 (see Table 3).

Table 3: CSA coding example

Original Text:		
<p>‘Mr. Blair has made economic reform the top priority of his presidency, hoping to make labour markets more flexible [...]. However, he is now likely to face challenges from President Chirac, who recently called economic ultra-liberalism the “new communism of our age”.’</p> <p><i>(The Times, May 31 2005, Battle for the heart of Europe).</i></p>		
Core Sentences:		
subject	direction	object
<i>Blair</i>	+1	<i>labor market reform</i>
<i>Chirac</i>	-1	<i>economic liberalization</i>

If the CSA data are collected from several hundred newspaper articles, a debate can be mapped by constructing average positions and salencies. Since fully computer-based techniques to automatically recognize such complex relational data are still in their infancy, the coding had to be done manually (see Wuest et al., 2010). This, however, has the severe drawback that the data collection requires an enormous effort of time and costs. To keep the workload tolerable, sophisticated sampling strategies and a custom designed software framework for the large-scale data collection were applied.¹⁰ The sampling was done in two steps. First, the relevant events of the

⁸The number of core sentences in an article, however, does not equal the number of grammatical sentences, as one sentence can include none, one or several core sentences.

⁹-1 means opposition and 1 means support, with three intermediary positions indicating a vague or an ambiguous relation.

¹⁰The coding software basically is a web-application which is equipped with an administrative panel to organize large-scale data collections and allow simultaneous annotation for several coders. For further information and a tryout of the software framework see <http://www.bruno-wueest.ch/Software.html>. All parts of the framework are open source and, as long as third-party software is not concerned, free to use for scientific purposes.

debates were identified using various yearbooks¹¹ as well as the annual reviews of the newspapers in our sample. These lists formed the basis for an extensive keyword list for each country, helping us to find potentially relevant articles. The advantage of creating such event lists is that many false negative selections are avoided because the lists are in advance adapted to the country-specific characteristics of the debate. Subsequently, a chronological sampling of 1,200 articles per country was drawn.¹² Finally, given the still time-consuming coding procedure, the amount of core sentence collected from a single article additionally was limited to twenty.

A second major flaw of manual content analyses is the difficulty to assess the quality of the gathered data. On the one hand, however, the external validity of the CSA approach has been established. Comparisons of CSA data generated with data from expert judgments, party manifesto coding, and mass surveys show that all indicators for actor positions are highly correlated (Helbling and Tresch, 2010). On the other hand, coder disagreement is also potentially hampering the data quality. In a pretest, six coders obtained a coefficient of reliability of 0.77 for coder agreement on the identification of core sentences. Inter-coder agreement for the correct coding of actors and issues was 0.88 and 0.85, respectively. Given that the typical level of acceptance for intercoder reliability is 0.80, coder agreement was within acceptable limits already before the coding (Lombard, Snyder-Dutch and Bracken, 2002). Additional coder training, refined coding instructions and a continuous monitoring of the coders during the coding process were provided to address remaining uncertainties for the actual data gathering.

4.2 Analysis strategies

Three aspects of the data analysis deserve more specific explanation, since they do not belong to the standard approaches political scientists use. The first is the core sentence related measures for position and salencies. The basic step of all the analyses is to calculate the position of actors as well as two salience measures. The position of an actor simply is calculated by taking the average of the directions from all the coded core sentences that contain a relationship between this actor and an issue, dimension or the whole debate. Positions therefore range between -1 and 1. Further, actor salencies, defined as the relative frequency with which statements of an actor are reported compared to all other statements, are calculated.

To assess conflict intensity, a measure based on Taylor and Hermann's (1971)

¹¹Keesing's World Record of Events, Facts on File World News Digest Yearbook etc.

¹²In contrast to time-invariant selection procedures, a chronological sampling captures the dynamics of a debate by tracking the frequency distribution of relevant articles.

index of polarization in a party system is used. The index considers how strong actors vary in terms of their positions on an issue or dimension by simultaneously accounting for the actor's salience (for a detailed definition, see *Table A.3* in the appendix). And finally, to identify coalitions of actors in the political spaces that share similar stances on economic liberalization, a modified kmeans clustering is applied. Ordinary kmeans clustering requires the definition of a starting configuration, but the actors used in this analysis are too heterogeneous to suggest one.¹³ To circumvent this decision, the kmeans++ algorithm as proposed by Arthur and Vassilvitskii (2007) is applied which empirically calculates stable starting configurations.¹⁴ Additionally, in contrast to ordinary kmeans clustering, the number of clusters are inductively determined since they are a crucial part of the empirical findings. Previous to the clustering, different solutions are therefore compared by their silhouette width (see Rousseeuw, 1987).¹⁵

5 Varieties of conflict constellations

5.1 Transnationality of contestation on economic policies

The beginning of the analysis is concerned with the question to what degree the debates in the three countries under studies are still mainly structured by national politics. If debates predominately run equally in the different countries and if they are dominated by international actors, then an assessment of a 'varieties of debates' seems at least contraindutive. There are different ways to assess the transnationality or distinctiveness of political conflict in different countries (Koopmans et al., 2005). One could spotlight the addressee of claims, i.e. the regulative level at which the claim for a new policy is directed. However, statements on policy positions as reported by journalists with a limited time and amount of space in the newspaper, are rarely specific enough to get solid information about addressees. Two more intuitive and practicable ways to compare debates are to contrast issue usage and

¹³If no starting configuration is given, kmeans randomly draws cluster centers. This, however, returns unstable and often sub-optimal results, both statistically and substantively. For example, it is difficult to say to which coalition the social democratic parties belong: to the supporting or opposing coalition with respect to economic liberalization? Social democrats traditionally were interventionist parties but have adopted ever more economically liberal positions, especially when seizing government.

¹⁴Kmeans++ calculates optimal cluster centers by minimizing the average squared distances for all data points to the centers before the actual clustering calculation is started.

¹⁵The silhouette width is the average of the degree of confidence in the clustering assignment of every actor. More precisely, the degree of confidence of every clustering assignment is calculated by comparing the average distance between the actor and all other actors in the same cluster and the average distance between the same actor and all other actors in the 'nearest neighbor' cluster, i.e. the cluster next to the own cluster (see *Table A.3* in the appendix for a definition).

actor salience across countries. On the one hand, one can focus on the congruence of the issue usage, i.e. if the debate is centered on the same issues at the same time in the different countries. On the other hand, the focus can be on the origin of the actors that shape the debates. Accordingly, *Table 4* presents the congruence of the issue usage over the three year time period under study, while *Table 5* lists the share of statements for the different levels of policy making. The two analyses lead to contrasting insights. In general, this points to the fact that content-driven and actor-driven transnationalization are completely different aspects of distinctiveness.

The correlation coefficients in *Table 4* show the relationship between the issue salience in the single countries relative to the country weighted overall issue salience. As for all analyses here, it is not clear if the actual values in absolute terms indicate high or low levels, since there is no solid reference framework. Therefore, all conclusions will only relatively be drawn.

Table 4: Distinctiveness I: Congruence of issue usage among countries

	Pearson's R	n ¹
UK	0.74	53
France	0.83	43
Germany	0.77	42

Notes: Country weights applied for overall calculations. ¹ n=average number of actors per year.

The pattern in *Table 4* contrasts the distinctiveness expectation which suggested France as having the most distinct debate: The issue usage in the French debate is closest to the overall mean; the debate in the UK runs very distinct; and Germany takes the middle ground. This analysis, however, only reveals, what the debates are about and not who prevails in the debate. This distinction makes a big difference, as can be seen in *Table 5* where the expectations regarding the *distinctiveness* are fully met. Overall, 62.7 percent of all statements were made by national actors and 8.5 percent by actors from other countries, which mostly are foreign governments but to a small degree also foreign companies. Vertical transnationalization is manifest in the considerable share of 10.5 percent for actors from the European level (this category captures all EU actors) and 18.3 percent for international actors which consists of actors from International organizations as well as multinational companies.

The UK is the most open country, especially for international actors. And compared to France, also foreign actors more forcefully enter the debate. Despite the fact that a comparison with a solid benchmark is impossible, it is striking that just above half of all statements are made by national actors in the UK. On the other end, 71.8 percent of the debate in France are occupied by national actors,

which should give them an edge to influence the debate. The differences among the three countries are mostly due to different saliences of foreign and international actors. European actors, interestingly, have a more or less similar share of statements in every country, revealing a homogenizing role of the EU in the debates.

Table 5: Distinctiveness II: share of statements by actor origin in percentages

<i>origin</i>	<i>overall</i>	<i>UK</i>	<i>France</i>	<i>Germany</i>
<i>national</i>	62.7	55.9	71.8	60.3
<i>foreign</i>	8.5	10.5	6.5	8.2
<i>European</i>	10.5	11.9	9.1	10.6
<i>international</i>	18.3	21.8	12.6	20.9
<i>n</i>	4880	1416	1849	1631
<i>Total</i>	100	100	100	100

Notes: Country weights applied for overall calculations.

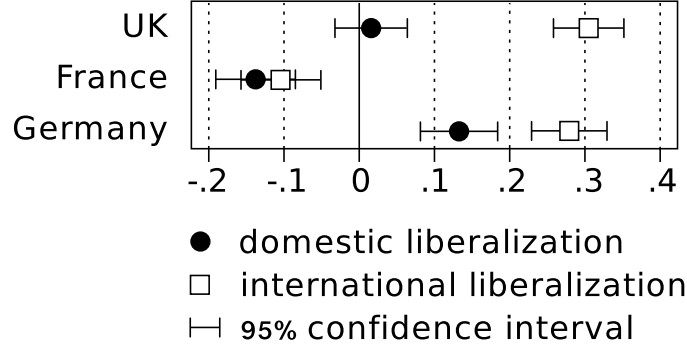
The relationship between the capitalist regime type and the distinctiveness therefore has to be reformulated. In France, national actors play a more important role in shaping the debates, while in the UK, access for foreign, European, and international actors is less difficult. The liberal context in the UK, opens the debate for non-national actors. However, this has no repercussion on how congruent the debate runs in terms of its content, which is most distinct in the UK and closest to the cross-national level in France.

5.2 The overall climate in the UK, France, and Germany

The first analyses have established that there is variation in the distinctiveness of the debates regarding *what* is debated and *who* participates. This section is concerned with a first general assessment of *how* the debate runs in the three countries. For this purpose, *Figure 1* presents the average positions of the countries with respect to the two main conflict dimensions. These average positions give a preliminary impression of the overall climate in the debates. France, as expected, is not only protectionist, i.e. anti international liberalization, but also interventionist, i.e. against domestic liberalization. As we will see throughout the analysis, this hostile climate regarding both aspects of economic liberalization is due to the solid opposition of the majority of actors in France. The UK is most liberal only regarding international liberalization. With respect to domestic liberalization, however, the UK's overall position is not different from zero. In Germany, the overall climate of the debate is only partly as expected, too. On this level of analysis, the debate is solidly liberal on both dimensions instead of balanced around the mean.

The indices for conflict intensity in *Table 6* show that the liberal positions in Ger-

Figure 1: Overall debate climate: average positions and confidence intervals per country



many are heavily contested. Conflict intensity is highest in Germany and also relatively high in France, but substantively lower in the UK. The liberal character of the debate in the UK, thus, is not only reflected by its very liberal position regarding international liberalization, but also in the low intensity of contention, since actor positions in the UK have not the same variety as in Germany and France.

Table 6: Conflict intensity in the debates: polarization on economic liberalization by country, level of actors

<i>Overall</i>	<i>UK</i>	<i>France</i>	<i>Germany</i>
0.16	0.06	0.20	0.23

Notes: Country weights applied for overall calculations.

5.3 Country-specific policy coalitions on economic policies

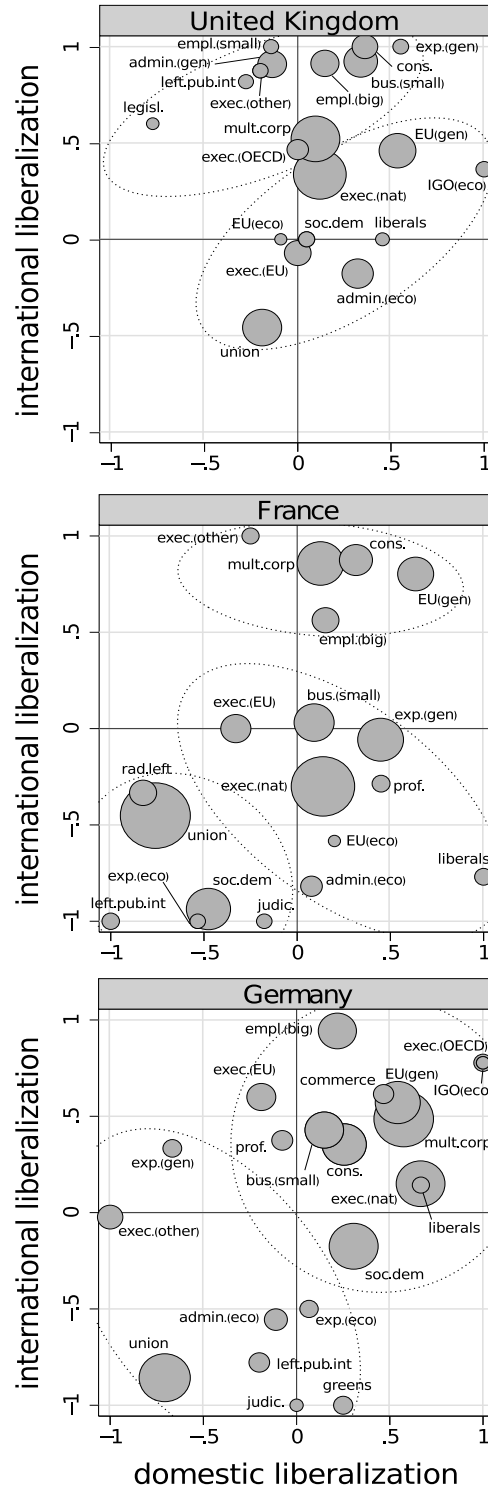
The most important insights from the previous section were that, on a highly aggregate level, the debate is distinctively protectionist and interventionist in France and comparatively comparatively very low conflictive in the UK. This section is concerned with possible explanations of these findings. In most general terms, the observed country differences can be explained by different sets of coalitions shaped by actors with similar policy positions. Accordingly, *Figure 2* shows the basic indicators for all actors which reached more than ten statements in the debates. While the center of a circle indicates the mean position of an actor on the two dimensions, the size of the circles indicates the relative frequency of the statements made from the respective actor (i.e. actor salience). Further, the dotted circles indicate the coalitions inductively derived from the cluster analysis as described in *Table A.4* in the appendix.

The most important single actor type is the national executive. Furthermore, the salience of the national executive is higher in France than in the UK and Germany. This points to the dominant position of the national government for policy decisions. Even more interestingly is the position of the national government in France. As expected and quite in contrast to the executives in the other countries, the French government is distinctively against international liberalization. This result is even more striking since, during the debate period, France was governed by a conservative executive. The Labour government in the UK, instead, had a substantively more liberal position in the debate. In Germany, governmental responsibility changed from a social democratic executive under Schröder to the 'grand coalition' CDU/CSU and the SPD under Angela Merkel. But also here, executive actors generally embrace the liberalization of the economy.

A second big player in the public debates are the unions. They loom highest in France but are also strong in Germany. Although they are hostile against both aspects of economic liberalization in every country, their overall position in the UK is comparatively liberal, pointing to ambivalent positions among different unions. The EU, IGO, and foreign executives, on the contrary, mostly are distinct liberalizers. Except the executives from transitional and developing countries in Germany, they push the debate into a more liberal direction. This effect is strongest for the UK, where they are relatively more important than in the other two countries. The non-national actors further are joined by conservative and Christian democratic parties in their embracement for more open markets, both domestically and internationally.

Business actors and their interest intermediaries are also strongly present in the debates, although with varying salience and consistency. Regarding salience, Germany has a comparatively strong involvement of economic interest groups. Here, almost all types of economic interest groups are present. Regarding consistency, business actors and employer associations are solidly economically liberal in their positioning in Germany and the UK. This sharply contrasts France, where small businesses and professional organizations are ambivalent or against a further liberalization of the economies. These results may point to the *right dilemma* expectation, but they certainly are too preliminary to really be substantive.

Figure 2: Conflict constellations: actor positions on the two dimensions, actor salience, and coalitions per country



Notes: Only actors with more than 10 statements included into the analyses.

A more comprehensive picture regarding the varieties of capitalist debates are revealed by the cluster analysis.¹⁶ *Table 7* shows the average positions and sizes of all coalitions found in the three countries.

Table 7: Size and position of coalitions per country

<i>coalition</i>	<i>average position</i>						<i>size in %</i>		
	<i>UK</i>		<i>France</i>		<i>Germany</i>		<i>UK</i>	<i>France</i>	<i>Germany</i>
	<i>dom.</i>	<i>int.</i>	<i>dom.</i>	<i>int.</i>	<i>dom.</i>	<i>int.</i>			
<i>supporters</i>	0.10/ 0.11	0.15/ 0.76	0.25	0.83	0.41	0.50	52.9/ 47.1	23.4	66.2
<i>opponents</i>	–	–	-0.70	-0.69	-0.30	-0.29	–	35.2	33.8
<i>protectionists</i>	–	–	0.18	-0.24	–	–	–	41.5	–
<i>n</i>	1377		1784		1578		100	100	100

Notes: Country weights applied for overall calculations. Int.=international liberalization; dom.=domestic liberalization.

The constellation of the two coalitions in the UK reveal why this LME has both a low conflict intensity and a substantively liberal debate. Both coalitions, on average, are supporting economic liberalization and approximately are of equal size (52.9 and 47.1 percent). The first coalition, which is dominated by the national executive, however, is much less supportive of international liberalization than the second coalition which is dominated by multinational corporations but has still a positive stance (0.76 and 0.15, respectively). In sum, there actually is no significant opposition, which sets the UK sharply apart from the two continental countries.

In France, there is not only a fiercely oppositional coalition of a considerable size (35.2 percent), but also a protectionist coalition which is responsible for 41.5 percent of all statements. While the ladder is lead by the national executive, experts and small businesses, the former is mainly shaped by unions and social democrats. The truly economically liberal coalition has shrunk to meager 23.4 percent. The debate in France is, as expected, more interventionist, also because the oppositional coalition more radical than any other coalition in the three countries (-0.70 on domestic and -0.69 on international liberalization). Moreover, there is a clear majority in favor of protectionist measures in France if the biggest and second biggest coalition team up.

With respect to the overall debate climate, Germany has a rather liberal but highly conflictive debate. The reasons for this finding are visible in the cluster re-

¹⁶Although the coalitions are inductively generated, they nicely match Sabatier's (1993) widespread definition of advocacy coalitions, since they are calculated using policy positions and issue salencies.

sults. In contrast to the UK, there is a consistent oppositional coalition in Germany which is responsible for the high conflictive climate. The unions, however, are the only notable actor in this coalition, which means that the coalition relatively has little weight in the debates. Only about a third of all statements come from this coalition, which contrasts the prevalence of protectionist forces in France. In comparison with the UK with its two not very distinct coalitions and France with its three coalitions, the situation in Germany thus is a clear-cut antagonism between a economically liberal mainstream and left challengers.

6 Varieties of labor relations

In the last section the conflict structure among all forces which appear in the debates have been the subjects of analysis. For the second part of the analysis, the system of interest intermediation as the central arena of economic policy making is in the focus. More specifically, the analyses are concerned with the salience of actors in the debates as well as the internal consistency in terms of support or opposition.

6.1 Who dominates interest intermediation in the three countries?

Table 7 indicates the importance of different actors in terms of the relative frequency of their statements in the debates. While the overall results give reason to support of the *resource argument*, but the results by country rather give edge to the *mobilization argument*. Overall, the executives and administrations with their institutionalized channels to mass media coverage and corporations with their public relation resources come first and second with 28.2 and 27.7 percent. Strikingly, corporations intervene almost three times as much than employer association in public debates and their salience almost equals the sum of statements made by employer associations and unions together. While unions also have a substantial salience, employer associations and intra- and supranational actors fall behind.

If the saliencies are compared across countries, however, it is peculiarly interesting that the actors which can be regarded as institutionally disadvantaged by a specific context have a relatively higher salience than in countries where their access should be facilitated. In the UK, governmental actors and the administration are responsible for more than one third of all statements. This contrasts the *resource argument*, which, in the light of the lean state approach in LME, would have expected less salient executives in the UK than in France and Germany. Additionally, the comparatively low salience of state actors in France and Germany are also rather contradicting the *resource argument*, since these actors beside the debate

should take a more central in decision-making processes on economic policies. In a similar vein, unions and corporations loom highest in the countries where they can be expected to have a weak standing in decision-making processes. In Germany, corporations mainly are integrated into dense corporatist networks and therefore subject to more constraints regarding their direct influence on policy making. Their relatively high salience in the debates thus rather reflect a challenging going public strategy aimed to mobilize support for the own positions. And the unions in France, usually excluded from the decision making processes, have a considerable strength in the debates.

Table 8: Salience of actors in the systems of interest intermediation: relative frequencies of statements by country, in percentages

	<i>Overall</i>	<i>UK</i>	<i>France</i>	<i>Germany</i>
<i>intra-/supranational actors</i>	13.3	14.4	11.3	14.7
<i>executive/administration</i>	28.2	36.4	28.1	20.5
<i>corporations</i>	27.7	27.8	23.4	32.5
<i>employer associations</i>	10.3	9.3	6.7	15.3
<i>trade unions</i>	20.5	12.1	30.5	16.9
<i>n</i>	3385	1115	1205	1052
<i>Total</i>	100	100	100	100

Notes: Country weights applied for overall calculations.

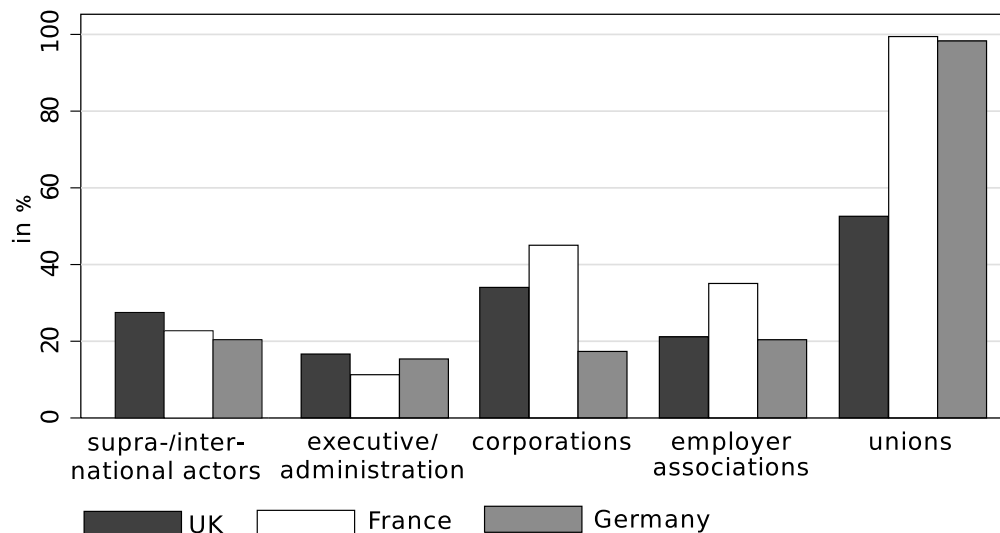
All this gives support to the argument that, regarding industrial relations, institutionally disadvantaged actors can gain a high visibility in public debates which could – but by no means must – give them more leverage for influencing decision-making processes. However, the *mobilization argument* cannot explain all differences between countries, as the low salience of the unions in the UK and corporations in France shows. The next section will show that exactly these actors face a policy dilemma which prevents them to forcefully enter the debates.

6.2 How conflict within business and interest groups is structured

So far, the actors as categorized were treated as homogenous contestants, but they obviously can internally be divided. These actors are aggregated categories which can be cover conflicts within the organizations of a specific actor type. *Figure 3* shows the share of oppositional forces in the actor categories of the system of interest intermediation. To begin with, the share of oppositional corporations and employer associations is higher in France than in the other countries, pointing to considerable conflict *within* these actors. More specifically, over 40 percent of corporations in France and over 30 percent of employer associations are opposing economic liberalization. In a similar vein, unions in the UK are deeply divided. Even slightly

more than 50 percent of unions actually are embracing further liberalization steps in the debate.

Figure 3: Strength of opponents by country and actor category: Share of organizations with a negative average position in percentage



As regards the other actors, a quite high consistency can be observed – except for the corporations in the UK, where roughly a third of these organizations are opposing liberalization. The supra- and international actors as well as the executives and administrations in all countries are firmly supportive of economic liberalization. Additionally, corporations in Germany and employer associations in the UK and Germany are similarly embracing the further opening of markets. Unions in France and Germany, on the other hand, are completely interventionist and protectionist.

If the most important organizations for these actor groups are considered, we get a more intuitive sense of the *policy dilemma* the corporations (in France and the UK), the unions (in the UK), and the employers (in France) face. In each the UK and France, two of the most salient corporations are actually opponents of a further opening of markets. Perhaps not surprisingly, three of these four corporations are state-owned companies (Royal Mail, Électricité de France, and Gaz de France). The fourth company, the Chinese carmaker Nanjing Automobile, was involved in a bidding battle over MG Rover during the time period of the data collection and probably was eager to calm public concerns. The most salient supporters of economic liberalization, on the other side, in all countries are private multinational corporations, e.g. Nestlé and Renault in France, Siemens and Hewlett-Packard in Germany, and British Airways in the UK.

As regards the most important employer associations in France, 'Coordination

rurale’, an important professional organization for farmers, is among the most important organizations and an opponent of economic liberalization. The opposition to economic liberalization of farmers is not surprising and a fact in all three countries, but that the farmer association has such a high salience in France is nevertheless noticeable. In the other two countries, the most influential organizations consistently are big industry and moneyed interest groups.

With respect to the unions, all big unions are opponents of economic liberalization in Germany and France. In the UK, however, only the public sector union (PCS) is opposing economic liberalization. The big private sector unions, Amicus and T&G,¹⁷ are actually supporting economic liberalization. This illustrates the *left dilemma* of the unions in the UK which was already visible in the rather liberal overall position of the unions and the high share of supportive organizations in the debate. Unions in the UK, thus, seem to be under more intense pressure than their counterparts in the other three countries.

6.3 A test for alternative explanations

So far, it was assumed that national peculiarities are ‘naturally’ relevant for the systems of interest intermediation. Competing explanations for deviating actor positions, however, could be far more influential and actually diminish country effects if they are controlled for. Regarding the system of interest intermediation, such explanations include sectoral distinctions (Midford, 1993; Frieden, 1991), the differentiation into professional and employer associations (Schneider and Grote, 2006), or the separation between big and small business (Kitschelt, 2007). *Table 11* presents a test of alternative explanations and country effects on the support or opposition of unions, employer associations, and corporations on the level of single statements.¹⁸

First, two sectoral distinctions are introduced into the models, that is the differentiation between manufacturing and service sectors as well as between the public and private sector. Second, actor specific characteristics are added, including a professional organization/employer association dummy and the distinction whether an interest organization is concerned with a special interest or if it is an umbrella organization representing very broad interests. For corporations, finally, size is an additional indicator which is included by the separation between big and small and medium-sized business.

¹⁷In 2007, they merged into Unite

¹⁸Since most directions are either completely negative or positive and there are only a few intermediary values, the position was standardized to a dichotomous variable.

Table 9: The influence of country and sector affiliations on support of economic liberalization by social partners: logit regressions on the level of statements: unstandardized coefficients (log odds), standard errors and levels of significance

	<i>unions</i>			<i>employer assoc.</i>			<i>corporations</i>		
	Coef.	Std. Err.	P>z	Coef.	Std. Err.	P>z	Coef.	Std. Err.	P>z
<i>countries (ref = Germany)</i>									
UK	0.930	0.519	+	-0.185	0.366	n.s.	-0.380	0.176	*
France	-0.296	0.613	n.s.	-1.184	0.517	*	-0.789	0.175	***
<i>sectoral distinctions</i>									
service sector (ref = industries)	-1.228	0.801	n.s.	-1.524	0.493	**	-0.183	0.153	n.s.
public/mixed sector (ref = private sector)	0.165	0.845	n.s.	0.461	0.517	n.s.	-0.43	0.285	n.s.
<i>actor specific distinctions</i>									
special interest org. (ref = umbrella org.)	-0.294	0.548	n.s.	0.102	0.702	n.s.	—	—	—
professional org. (ref = employer assoc.)	—	—	—	-1.137	0.420	**	—	—	—
big business (ref = small and medium-sized bus.)	—	—	—	—	—	—	0.073	0.152	n.s.
Intercept	-1.061	0.523	*	1.946	0.520	***	1.099	0.185	***
n	220			230			925		
Pseudo-R ²	0.04			0.13			0.02		

Notes: Country sample weights applied for all models. Levels of significance: ***=<0.001, **=<0.01, *=<0.05; +=<0.1. Coefficients show the logarithmic form of the ratio between the probability that a positive statement on economic liberalization occurs and the probability that there is a negative statement on economic liberalization. A positive coefficient thus always means that the independent variable is influencing the dependent towards a more favorable position in terms of economic liberalization in general.

Regarding unions, they almost do not differ in their positioning regarding the suggested variables. Only the difference between the unions in the UK and Germany is very slightly significant. The positioning of employer associations, in contrast, differs significantly across various variables. French employer associations are comparatively less inclined to opt for economic liberalization than German employer association. Further, employer associations from the service sectors are less supportive of economic liberalization in comparison to manufacturing industries. In a similar vein, professional organizations are far more sceptic against economic liberalization than employer associations.

In sum, only employer associations substantively deviate regarding the suggested alternative variables. Most notably corporations, but also employer associations, however, differ in their position across the three countries. Although rather a su-

perficially, this test thus gives some support that country differences still are relevant despite the far-reaching economic and political integration processes of the last decades.

7 Conclusion

This analysis tried to enrich common typologies of capitalist regimes by the aspect, how political conflict in different institutional settings is structured. Further, not specific arenas have been studied, but all actors which have a voice regarding economic liberalization were included into the analysis. Overall, the results clearly indicate a variety and not a congruence of debates. Despite convergence pressures in the last decades, political conflict remains different from country to country, dependent on long-term path dependencies. Furthermore, the relationship between institutional settings and debates may be more complex than intuitively expected: while the overall climate matches the capitalist regime type quite nicely, the importance of actors in the debate contrary to their institutional opportunities.

In France, the State-led Economy under study, national actors, most notably national public authorities, prevail in the debates. This 'exclusion' of non-national participants comes with an substantive interventionist and protectionist climate of contestation, which, in turn, forces business and employer associations into a *policy dilemma* between support of protectionist measures and the internationalization of economies. France accordingly is the only country where protectionist stances find a majority among the policy coalitions. Excluded from the central arenas of decision-making, unions further heavily try to mobilize support over the public debate. Quite in contrast, the open climate in the UK facilitates the access for non-national actors to the economic debate. Moreover, the debate in this Liberal Market Economy also merits the label liberal since no oppositional coalition challenges the mainstream. The unions, as only noteworthy opponents, are deeply divided between private and public sector unions. And further, executive actors loom much higher in the debate than in France and Germany, although they can institutionally be regarded as disadvantaged in the UK. Germany in many respects takes a middle ground between the two other countries. In contrast to the UK, the situation in Germany is characterized by a clear-cut antagonism between a economically liberal mainstream and left challengers. But contrary to France, the economically liberal forces are in the majority. And corporations are the most prominent actors in Germany.

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A Appendix

Dimensionality of the debates

For the identification of the number and character of the dimensions, the actor statements were first aggregated to six issues reflecting at least two competing analytical concepts (see *Table A.1*). Subsequently, a factor analysis was applied on these six issues to find the optimal dimensionality of the debate. First, the issues were grouped according to the distinction between international and domestic liberalization. Besides this distinction, freeing as the introduction of more competition into markets and deregulation as the reduction or elimination of governmental regulations were discerned (Polanyi, 1944: 140; Vogel, 1996: 3). While the deregulation issues are not further disaggregated, freeing issues need a further differentiation since they still contain very diverse aspects of economic policy making. Regarding the domestic freeing issues, labor market policies are separated (freeing domestic labor markets) from general market policy domains (privatization). Concerning international freeing issues, locational promotion policies, which cover conflicts on the introduction of more international competition by making national economies more attractive, from internationalization policies, which contain conflicts on the further deepening of the global economy, are separated.

Table A.1: The issues of the debate on economic liberalization

<i>concepts</i>	<i>issue</i>	<i>description</i>
domestic/ freeing	privatization	Support for privatization and national market liberalization in general.
domestic/ freeing	freeing domestic labor markets	Support for more flexible labor market regulations (e.g. working time or retirement age).
international/ freeing	locational promotion	Support for the advancement of education, infrastructure; opposition to bailouts, sheltering of national industries or tighter competition policies.
international/ freeing	international- alization	Support for the Single European Market, the internationalization of markets, liberal tax regimes, free movement of labor and foreign investment
domestic/ deregulation	social protection	Support of social compensation plans social partnership, or stricter corporate governance.
international/ deregulation	international regulation	Support for more regulation regarding trade, financial markets, taxes, and labor rights.

Notes: All labels are formulated in a way that the dimensions and issues have a clear direction in favor of economic liberalization. This is important for the consistency of the analyses, since the meaning of positive and negative with regards to policy statements is always clear.

The results of the factor analysis in *Table A.2* show that only two factors reach an eigenvalue above 1. And the factors seem to reflect the distinction between international and domestic liberalization. The loadings of privatization, locational promotion, labor market deregulation, and anti social protection are clearly higher for the first factor, whereas internationalization and anti international regulation clearly load higher on the second factor. Locational promotion was expected to be located on the international dimension. The results lead to the conclusion that locational promotion is a domestic issue which is more explicitly centered on creating a good environment for economic activity within a country, e.g. the establishment and maintenance of infrastructure or supportive regulation for business, rather than enhancing national competitiveness vis-à-vis other economies. For the analyses, locational promotion is therefore collapsed with the three issues privatization, labor market deregulation and anti social protection to the domestic dimension.

Table A.2: Structure of the debate space for all six countries: result of exploratory factor analysis with all 6 issue categories on the level of actor categories

<i>categories</i>	<i>factor 1</i>	<i>factor 2</i>
<i>privatization</i>	-0.67	-0.19
<i>labor market deregulation</i>	0.90	0.13
<i>anti social protection</i>	0.58	0.07
<i>locational promotion</i>	-0.58	0.04
<i>internationalization</i>	-0.20	-0.85
<i>anti international regulation</i>	0.01	0.86
<i>Eigenvalue</i>	1.97	1.53
<i>Proportion</i>	33%	26%
<i>n</i>	26	

Notes: Principal-component factor analysis based on actor-issue positions weighted by their salience, varimax rotated solution. Only actors with more than 10 statements included into the calculation.

Table A.3: Index definitions: Polarization and silhouette width

<i>index</i>	<i>definition</i>
<i>Polarization</i>	$P = \sum_{k=1}^k \omega_k (\chi_k - \bar{\chi})^2;$ <p>where ω_k is the salience of actor k, χ_k is the position of actor k on the issue, and $\bar{\chi}$ is the weighted average position on this scale, where weights are again provided by the actor-specific salience.</p>
<i>Silhouette width</i>	$S = \sum_{k=1}^k \frac{\bar{\delta}_k - \bar{\eta}_k}{\max(\bar{\delta}_k, \bar{\eta}_k)};$ <p>where $\bar{\delta}_k$ is the average distance between actor k and all other actors in the same cluster, and $\bar{\eta}_k$ is the average distance between actor k and all other actors in the ‘nearest neighbor’ cluster, i.e. the next cluster to the own cluster of actor k. $\max(\bar{\delta}_k, \bar{\eta}_k)$, accordingly, are the maximal distance from k to another actor in the same and in the nearest cluster.</p>

Table A.4: Fit of cluster analyses for the coordinates on the two dimensions and centers of optimal cluster solution per country

	<i>silhouette width</i>			<i>kmeans++ cluster centers</i>					
	<i>2 cluster</i>	<i>3 cluster</i>	<i>4 cluster</i>	<i>1. center</i>		<i>2. center</i>		<i>3. center</i>	
				<i>int.</i>	<i>dom.</i>	<i>int.</i>	<i>dom.</i>	<i>int.</i>	<i>dom.</i>
<i>UK</i>	0.406	0.403	0.351	0.05	0.24	0.82	0.00	–	
<i>France</i>	0.455	0.459	0.429	0.82	0.20	-0.35	0.26	-0.79	-0.63
<i>Germany</i>	0.478	0.459	0.417	0.52	0.44	-0.51	-0.23	–	

Notes: Country weights applied for overall calculations. Int.=international liberalization; dom.=domestic liberalization.